

HOUSE JOINT RESOLUTIONS

PROPOSED CONSTITUTIONAL AMENDMENTS— WATER DEVELOPMENT BONDS

H. J. R. No. 99

Proposing an amendment to the Texas Constitution to increase from \$100 million to \$200 million the additional aggregate principal amount of Texas Water Development Bonds which may be issued and outstanding by the Texas Water Development Board for water quality enhancement purposes.

Be it resolved by the Legislature of the State of Texas:

Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 Regular Session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975, and the constitutional amendment proposed in Section 1 of Senate Joint Resolution No. 49, as passed in the 1975 Regular Session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 2, 1976:

(1) Section 49-d-1 of Article III of the Texas Constitution is amended to read as follows:

"Sec. 49-d-1. Additional Texas Water Development Bonds

"(a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated by the Legislature, issue additional Texas Water Development Bonds up to an additional aggregate principal amount of \$200,000,000 to provide grants, loans, or any combination of grants and loans for water quality enhancement purposes as established by the Legislature. The Texas Water Quality Board or any successor agency designated by the Legislature may make such grants and loans to political subdivisions or bodies politic and corporate of the State of Texas, including municipal corporations, river authorities, conservation and reclamation districts, and districts created or organized or authorized to be created or organized under Article XVI, Section 59, or Article III, Section 52, of this Constitution, State agencies, and interstate agencies and compact commissions to which the State of Texas is a party, and upon such terms and conditions as the Legislature may authorize by general law. The bonds shall be issued for such terms, in such denominations, form and installments, and upon such conditions as the Legislature may authorize.

"(b) The proceeds from the sale of such bonds shall be deposited in the Texas Water Development Fund to be invested and administered as prescribed by law.

"(c) The bonds authorized in this Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III shall bear interest at not more than 6% per annum and mature as the Texas Water Development Board shall prescribe, subject to the limitations as may be imposed by the Legislature.

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"(d) The Texas Water Development Fund shall be used for the purposes heretofore permitted by, and subject to the limitations in Sections 49-c, 49-d and 49-d-1; provided, however, that the financial assistance may be made pursuant to the provisions of Sections 49-c, 49-d and 49-d-1 subject only to the availability of funds and without regard to the provisions in Section 49-c that such financial assistance shall terminate after December 31, 1982.

"(e) Texas Water Development Bonds are secured by the general credit of the State and shall after approval by the Attorney General, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas.

"(f) Should the Legislature enact enabling laws in anticipation of the adoption of this amendment, such Acts shall not be void by reason of their anticipatory character."

(2) The constitutional amendment proposed by this section becomes effective on January 1, 1977.

Sec. 2. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 Regular Session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975, but the constitutional amendment proposed in Section 1 of Senate Joint Resolution No. 49, as passed by the 1975 Regular Session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 2, 1976:

(1) Section 49-c of Article III of the Texas Constitution as proposed in Senate Joint Resolution No. 49 is amended to read as follows:

"Sec. 49-c. Texas Water Development Bonds and Contracts

"(a) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$400,000,000. The legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an additional aggregate principal amount of Texas Water Development Bonds not to exceed \$400,000,000. Bonds authorized under this subsection may be issued only for such water development purposes as prescribed by law.

"(b) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$200,000,000, which bonds may be issued only for such water quality enhancement purposes as prescribed by law.

"(c) Texas Water Development Bonds are issued in such manner and installments and upon such terms and conditions, bear such rates of interest, and mature as prescribed by law. The legislature shall provide by law for such other implementation of this section as the legislature determines appropriate.

"(d) Texas Water Development Bonds are secured by the full faith and credit of the state, and there is hereby appropriated out of the first moneys coming into the Treasury in each fiscal year, not otherwise appropriated by this Constitution, an amount which is sufficient to pay the principal and interest on such bonds that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year. No bonds authorized under this section may be issued without prior approval of the attorney general and registration by the comptroller of public accounts; after approval, registration, and delivery to the purchaser the bonds are incontestable.

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"(e) The legislature by law may provide for the execution of contracts in excess of two years duration between the state or a state agency and the United States or any of its agencies to acquire or develop storage facilities in reservoirs constructed or to be constructed by the federal government. Contracts executed under this subsection are general obligations of the state and are part of the state debt authorized under Subsection (a) of this Section.

"(f) No state fund established for purposes of water development, whether funded by the sale of Texas Water Development Bonds or from other sources, may be used to finance a project that contemplates or results in removing surface water from the river basin of origin if the surface water is necessary to supply the reasonably foreseeable water requirements of the basin for the ensuing 50 years. This subsection does not apply to a removal of water on a temporary, interim basis. No such state fund may be used for the development of water resources from the Mississippi River.

"(g) The aggregate amount of bonds and contracts authorized by this section includes Texas Water Development Bonds and contracts issued before the effective date of this amendment. Texas Water Development Bonds or other evidences of indebtedness issued before the effective date of this amendment remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions. The state or a state agency shall continue to provide for a source or sources of payment in accordance with the terms of these bonds or other evidences of indebtedness until the obligations are paid in full.

"(h) No single water development project requiring an expenditure of proceeds of Texas Water Development Bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

"(A) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the Legislature; or

"(B) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the Legislature."

(2) The constitutional amendment proposed by this section becomes effective on January 1, 1977.

Sec. 3. The constitutional amendment proposed by Sections 1 and 2 is to be submitted to a vote of the qualified electors at the election held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "A constitutional amendment to increase from \$100 million to \$200 million the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes."

Sec. 4. If Sections 49-c, 49-d, or 49-d-1 of Article III of the Texas Constitution are renumbered because of the adoption on November 4, 1975, of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 Regular Session, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Sections 1 and 2 of this resolution to conform to the renumbered sections in Article III. The changes are to be made at least 90 days before the first Tuesday after the first Monday in November, 1976.

Sec. 5. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 Regular Ses-

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sion of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in the 1975 Regular Session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at the general election held on the first Tuesday after the first Monday in November, 1976, is to provide for voting for or against the proposition: "Authorizing an increase of \$100 million in the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes in accordance with House Joint Resolution No. 99 as passed by the 64th Legislature in the 1975 Regular Session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(3) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas Water Development Bonds in the amounts prescribed by and otherwise in accordance with Section 49-c contained in Subdivision (1) of Section 2 of this resolution. However, approval of state debt in the manner provided by this section does not mandate or require the continuation of the Texas Water Quality Board or the Texas Water Development Board as the state agency empowered to issue Texas Water Development Bonds and administer proceeds from the sale of bonds.

(4) Approval of state debt under this section becomes effective on January 1, 1977.

Passed by the House on May 26, 1975: Yeas 110, Nays 15; and that the House concurred in Senate amendment to H. J. R. No. 99 on June 1, 1975: Yeas 147, Nays 1; passed by the Senate, with amendment, on May 31, 1975: Yeas 27, Nays 3.

Signed by the Governor June 20, 1975.

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